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FISCAL IMPACT REPORT

ORIGINAL DATE 03/02/07

SPONSOR Garcia, MP LAST UPDATED _____ HB HM 47

SHORT TITLE Public Assistance Applicant Info Tracking SB _____

ANALYST Hanika Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$48.0	Unknown	Unknown	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Memorial 47 requests the HSD to gather and track more aggregate information on persons who apply for public assistance.

The memorial provides the following comments:

- The legislative health and human services committee regularly requires additional information on the working poor in New Mexico.
- Understanding the needs of and the services now available to Medicaid recipients and Temporary Assistance for Needy Families recipients will help the legislature plan for the future.
- Recognizing that people who have jobs may still require public assistance due to the limitations of their salaries and benefits could help legislators tailor state benefits to the actual needs of public assistance clients.
- Collecting information on the employers of persons on public assistance could help policymakers as they make decisions on future benefits, services and opportunities.

FISCAL IMPLICATIONS

HSD will incur costs to develop new Medical and TANF application forms for public assistance; develop policies and procedures for tracking employer information; and, provide for staff training in the use of the new form. The memorial does not provide, direct or identify an appropriation for these efforts.

HSD will also need to provide for system modifications to the automated eligibility system (ISD2) to produce the necessary disaggregate reports could be produced. These changes are estimated to cost \$48,000. HSD reports it is unlikely the Department can make all of the necessary changes to the forms; to the ISD2 system; and, have the proper reviews completed in time to begin collecting the information by the beginning of the fiscal year.

Pursuant to a settlement agreement in a class action lawsuit that occurred in the 1980s, HSD is required to have attorneys in the *Deborah Hatten Gonzales* lawsuit review all proposed changes to Medicaid applications, at a cost to the Department of applicable attorney's fees.

SIGNIFICANT ISSUES

HSD provided the following comments:

The data collection methodology suggested in the memorial utilizes client provided information from the application form and entered into HSD's automated eligibility system. Currently the automated eligibility system does not capture employer information to the level of accuracy or specificity for creating the report recommended. HSD will also need to establish a standardized process for entering and recording employer information to minimize inaccuracies from occurring.

The TANF program currently provides benefits to 37,920 individuals and Medicaid to 404,694 individuals. These numbers do not count individuals who are included in the household, but do not directly receive Medicaid benefits. The collection of the data would need to occur over a minimum of a year from data collection implementation as many households for these programs renew their application only once a year. The data will not capture some of the interim employment changes that a recipient is not required to report and may not be comprehensive.

PERFORMANCE IMPLICATIONS

HSD will need to develop and report annually to the interim legislative health and human services committee on the employers listed on fifty or more applications for public assistance, the name of any employer listed fifty or more times in a single year and the number of times the employer was listed by TANF and Medicaid applicants. The report submitted is to contain no personally identifiable information about the applicant, the applicant's dependents or fellow household members.

ADMINISTRATIVE IMPLICATIONS

The memorial requests that the HSD change its application forms for public assistance to include information about the current employment of Medicaid applicants and temporary assistance for needy families' applicants, the applicants' dependents and fellow household members. The

memorial further requests that information collected include the name of the employer of the applicant and the name of the city in which the applicant works.

TECHNICAL

The memorial does not specify if any Medicaid categories should be excluded such as Foster Care Medicaid, Intentional Care, or other Medicaid programs where the participant is not usually employed.

ALTERNATIVES

HSD reports the Department could collect this information through other means that would have a decreased impact for the recipient and be less administratively burdensome to eligibility staff by creation of a data match between HSD and Department of Labor (DOL) for capturing employer information for TANF and Medicaid recipients. This would still require additional Department programming to the eligibility system to develop an aggregate data report. The match will need to be developed through a Memorandum of Understanding (MOU) between HSD and DOL to establish the data match and protect the confidentiality of the data transmitted. This may provide for more accurate data for reporting, however tracking out-of-state based employers may still be limited.

HSD determines the data match with DOL through this alternative will be approximately \$59,040; however, it lessens the application requirements for participants and significantly reduces the HSD county office eligibility staffs' administrative burden.

AHO/csd